



THE IMPACT OF A TAX OVERRIDE

Massachusetts General Laws Chapter 59, §21C, also known as “Proposition 2 ½”, allows communities to assess taxes in excess of the maximum annual 2 ½ % Tax Levy increase, plus any proposed increase in New Growth, if an Election Question is passed authorizing a tax Override. A community may take this action as long as it is below its Levy Ceiling, or 2 ½ % of full and fair cash value of all of the property within the community.

When an Override is passed, the Levy Limit for the upcoming year is calculated by including the amount of the Override. The Override is a **permanent increase** in the Levy Limit of a community which becomes part of the Levy Limit base increase of 2 ½ % for every following year.

A majority vote of the Town’s Select Board allows an Override question to be placed on the Election Ballot and the Town Meeting Warrant. Override questions are presented in dollar terms and must specify the purpose of the tax Override. Overrides require a majority vote of approval at Town Meeting as well as on the Election Ballot at Town Election.

There will be a Special Town Meeting on July 25, 2013 and an Election Vote to be held at a later date if the Town Meeting vote is in the affirmative, to request approval of an Override in the amount of **\$1,681,094** for the additional funding of the Spencer-East Brookfield Regional School District Assessment for Fiscal Year 2014.



Approval for the Override would add **\$1.82** to the Tax Rate of \$12.77 resulting in an estimated Tax Rate of \$14.59 / \$1,000. Please note these figures are based on the Fiscal Year 2013 Tax Rate as the Fiscal Year 2014 rate has not been set.

The estimated INCREASE on various property assessments is as follows:*

	\$200,000	\$225,000	\$250,000	\$275,000	\$300,000
Fiscal Year 2013 Tax Bills	\$ 2,554	\$ 2,873	\$ 3,193	\$ 3,512	\$ 3,831
<u>Estimate Tax Bill with Override</u>	<u>\$ 2,918</u>	<u>\$ 3,283</u>	<u>\$ 3,648</u>	<u>\$ 4,013</u>	<u>\$ 4,377</u>
Increase if Override passes	\$ 364	\$ 410	\$ 455	\$ 501	\$ 546